

Notice of Annual General Meeting 2020 for DS Smith Plc

**This document is important
and requires your immediate attention**

If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if you reside elsewhere, another appropriately authorised financial adviser.

If you have sold or otherwise transferred all of your shares in DS Smith Plc ('DS Smith' or the 'Company'), please pass this document together with the accompanying proxy form as soon as possible to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.



22 July 2020

Dear Shareholder

Annual General Meeting 2020 (AGM)

I hope that you and your families remain safe and healthy in these difficult times, when so much of our personal and business lives have been disrupted by Covid-19 and related restrictions.

Like so many events in recent months, this year our AGM too will be different from those held in past years. Your Board understand that many of the most regular attendees of our AGMs in past years, even if their health and the then current regulations permit, would not want to travel into central London to attend AGMs this year. At the time of writing there are regulations in place restricting the number of people who can gather in public and it is unclear when this might change. Therefore this year, while our AGM will be held on Tuesday 8 September 2020 at 9am at 350 Euston Road, London NW1 3AX, the only people present will be those required to form a quorate meeting and transact the formal business of the AGM, and in accordance with the current regulations relating to the Covid-19 outbreak, public health guidance and the measures regarding conduct of general meetings recently introduced by the Corporate Insolvency and Governance Act. Regrettably, this means that shareholders must not attend the AGM in person and anyone seeking to attend in person will be refused entry. Any changes to the arrangements for the AGM will be communicated to shareholders before the AGM through our website at <https://www.dssmith.com/investors> and, where appropriate, by a regulatory information service announcement.

We do therefore strongly encourage shareholders to submit a proxy vote in advance of the AGM and to appoint the Chairman of the meeting as their proxy, rather than a named person who will not be able to attend the meeting. Further details on how to do this are set out on the final page of this booklet.

We know that our regular attendees of the AGM come to our AGM as they value the opportunity to hear Miles Roberts, our Group Chief Executive, give a presentation on the Company's performance and strategy to shareholders. This year the Company will upload to our website at <https://www.dssmith.com/investors> a video of that presentation on 8 September 2020. More information about our website is set out on the final page of this booklet.

We also know that some attendees appreciate the opportunity to ask Board members questions. If you have any questions that you would like to ask we would encourage you to email them to ir@dssmith.com with 'AGM 2020' in the heading. We will then collate the answers to the questions received and upload that to our website at <https://www.dssmith.com/investors> following the AGM or, if more appropriate, reply to the questioner directly.

As this will be the last AGM before I step down from the Board in January 2021, may I also take this opportunity to say what an honour it has been to serve as your Chairman during a really exciting stage of the Group's development and to thank my fellow Board members, the leadership team and, above all, our incredible colleagues for their passion, commitment and hard work which have been instrumental to our success.

The formal Notice of Meeting is attached to this letter, together with the usual explanatory notes and some further background material.

Recommendation

Your Directors believe that all the proposals to be considered at the AGM are in the best interests of the Company and its shareholders as a whole and recommend that the shareholders vote in favour of the resolutions. The Directors will be voting in favour of the resolutions in respect of their own shareholdings.

Yours sincerely

Gareth Davis
Chairman

Notice of Annual General Meeting (AGM) 2020

Notice is hereby given that the Annual General Meeting of DS Smith Plc will be held at 350 Euston Road, London, NW1 3AX on Tuesday 8 September 2020 at 9am to consider and, if thought fit, pass the following resolutions:

Ordinary Resolutions (1-18)

1. To receive and adopt the Annual Report including the audited financial statements for the year ended 30 April 2020.
2. To approve the Remuneration Policy set out on pages 91 to 98 (inclusive) in the Annual Report.
3. To approve the Directors' Remuneration Report set out on pages 86 to 90 and pages 99 to 111 (inclusive) in the Annual Report.
4. To re-elect Mr G Davis as a Director of the Company.
5. To re-elect Mr M W Roberts as a Director of the Company.
6. To re-elect Mr A R T Marsh as Director of the Company.
7. To elect Ms C F Baxter as a Director of the Company.
8. To elect Mr G Drabble as a Director of the Company.
9. To elect Ms A Kessel as a Director of the Company.
10. To re-elect Mr D A Robbie as a Director of the Company.
11. To re-elect Ms L H Smalley as a Director of the Company.
12. To re-elect Mr R C Soames as a Director of the Company.
13. To re-appoint Deloitte LLP as Auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are to be laid before the Company.
14. To authorise the Audit Committee to determine the remuneration of the Auditor.
15. That the rules of the DS Smith 2020 Sharesave Plan (the 'Sharesave Plan') referred to in the Explanatory Notes to this resolution and produced in draft to this Meeting and, for the purpose of identification, initialled by a Director, be approved and the Directors be authorised to:
 - i. make such modifications to the Sharesave Plan as they may consider appropriate to take account of the requirements of HMRC; and
 - ii. establish further plans based on the Sharesave Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further plans are treated as counting against the limits on individual or overall participation in the Sharesave Plan (the 'International Sharesave Plan'), including:
 - iii. establish a French Sharesave sub-plan to the International Sharesave Plan (the 'French Sub-Plan') and to make such modifications to the French Sub-Plan as the Directors consider necessary or desirable to allow options granted under the French Sub-Plan to qualify for the specific tax and social security tax treatment in France applicable to stock options granted under sections L.225-177 to L.225-186-1 of the French Code of Commerce, as amended and restated from time to time.
16. That the rules of the DS Smith Stock Purchase Plan (the 'US Plan') referred to in the Explanatory Notes to this resolution and produced in draft to this Meeting and, for the purpose of identification, initialled by a Director, be approved and that the Directors of the Company be authorised to make any technical changes they consider necessary or desirable to the rules of the US Plan to take account of the requirements of section 423 of the US Internal Revenue Code and to address any applicable US securities laws requirements. Any offering under the US Plan to eligible employees based in California will be considered a separate offering for purposes of section 423 and subject to the applicable requirements set forth in the California appendix.
17. That the French schedule to rules of the DS Smith 2008 Performance Share Plan (as amended and approved by Shareholders in 2017) (the 'French Schedule') referred to in the Explanatory Notes to this resolution and produced in draft to this Meeting and, for the purpose of identification, initialled by a Director, be approved in order to allow conditional awards granted under the French Schedule (being tax-qualified restricted stock units (RSUs)) to qualify for the specific tax and social security tax treatment applicable, since 1 January 2018, to RSUs granted under the latest so-called 'Macron' regime amended by the Finance Law 2018.
18. That:
 - a. the Directors be authorised to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company:
 - i. in accordance with article 7 of the Company's Articles of Association (the 'Articles'), up to a maximum nominal amount of £45,753,175 (such amount to be reduced by the nominal amount of any equity securities (as defined in article 8 of the Articles) allotted under paragraph (ii) below in excess of £91,520,078); and
 - ii. comprising equity securities (as defined in article 8 of the Articles), up to a maximum nominal amount of £91,520,078 (such amount to be reduced by any shares allotted or rights granted under paragraph (i) above) in connection with an offer by way of a rights issue (as defined in article 8 of the Articles).
 - b. this authority shall expire at the conclusion of the next AGM of the Company after the passing of this resolution, or, if earlier, at the close of business on 1 November 2021; and
 - c. all previous unutilised authorities under section 551 of the Companies Act 2006 shall cease to have effect (save to the extent that the same are exercisable pursuant to section 551(7) of the

Companies Act 2006 by reason of any offer or agreement made prior to the date of this resolution which would or might require shares to be allotted or rights to be granted on or after that date).

Special Resolutions (19-22)

Special Resolution 19

19. That:

- a. in accordance with article 8 of the Company's Articles of Association (the 'Articles') the Directors be given power, under sections 570 and 573 of the Companies Act 2006, to allot equity securities for cash;
 - b. the power under paragraph (a) above (other than in connection with a rights issue, as defined in article 8 of the Articles) shall be limited to the allotment of equity securities having a nominal amount not exceeding in aggregate £6,863,662; and
 - c. this authority shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, at the close of business on 1 November 2021.
- B. used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.
 - b. this power shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, at the close of business on 1 November 2021; and
 - c. the Company may, before this power expires, make an offer or enter into an agreement, which would or might require equity securities to be allotted after it expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.
- d. date of any such purchase; and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out (in each case exclusive of expenses payable by the Company);
 - d. the authority hereby conferred shall, unless previously varied, revoked or renewed, expire at the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, at the close of business on 1 November 2021, save that the Company shall be entitled under such authority to make at any time before the expiry thereof any contract or contracts to purchase its ordinary shares which will or might be concluded wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract; and
 - e. all existing authorities for the Company to make market purchases of ordinary shares are revoked, except in relation to the purchase of shares under a contract or contracts concluded before the date of this resolution and which has or have not yet been executed.

Special Resolution 20

20. That:

- a. in addition to any authority granted under resolution 19, the Directors be given power:
 - i. subject to the passing of resolution 18, to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash pursuant to the authority conferred on them by that resolution under section 551 of that Act; and
 - ii. to allot equity securities as defined in Section 560(3) of that Act (sale of treasury shares) for cash, in either case as if section 561 of that Act did not apply to the allotment or sale, but this power shall be:
 - A. limited to the allotment of equity securities up to a maximum nominal amount of £6,863,662; and

Special Resolution 21

21. That in accordance with the Companies Act 2006, the Company is generally and unconditionally authorised to make market purchases (within the meaning of section 693 of the Companies Act 2006) of ordinary shares of 10 pence each in the capital of the Company in such manner and on such terms as the Directors may, from time to time, determine provided that:

- a. the maximum number of ordinary shares hereby authorised to be purchased is 137,273,253;
- b. the minimum price which may be paid for each ordinary share is 10 pence (exclusive of expenses payable by the Company);
- c. the maximum price which may be paid for each ordinary share is an amount equal to the higher of (i) 105 per cent of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the

Special Resolution 22

22. That, in accordance with the Company's Articles of Association, a general meeting (other than an Annual General Meeting) may be called on not less than 14 clear days' notice.

By Order of the Board

Iain Simm
Group General Counsel
and Company Secretary

DS Smith Plc
Company Number 1377658
350 Euston Road London NW1 3AX
22 July 2020

Explanation of Resolutions

Explanation of Resolutions

Ordinary resolutions

For each of the following resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

Resolution 1:

Receipt of Annual Report

The Directors present to shareholders at the AGM the Reports of the Directors and Auditor and the financial statements of the Company for the year ended 30 April 2020.

Resolutions 2 and 3:

Approval of the Remuneration Policy and Directors' Remuneration Report

Resolution 2 seeks shareholder approval for the Remuneration Policy, which is subject to a shareholder binding vote, and which can be found on pages 91 to 98 of the Annual Report. The Remuneration Policy sets out the Company's future policy on Directors' remuneration, including the Directors' pay and the grant of share-based incentive awards. If this resolution is approved, the Remuneration Policy will be effective from 8 September 2020. Once the Remuneration Policy is approved, the Company will not be able to make remuneration payment to a current or future Director, or a payment for loss of office to a current or past Director, unless that payment is consistent with the policy approved by the shareholders.

Resolution 3 seeks shareholder approval for the Directors' Remuneration Report on pages 86 to 90 and 99 to 111 of the Annual Report.

The 2019/20 annual report on remuneration gives details of the implementation of the Company's current Remuneration Policy in terms of the payments and share awards made to the Directors in connection with their performance and that of the Company during the year ended 30 April 2020. It also gives details of how the Company intends to apply the Remuneration Policy in practice for 2020/2021. This vote is advisory and the Directors' entitlement to remuneration is not conditional on it.

The Company's Auditor during the year, Deloitte LLP, has audited those parts of the Directors' Remuneration Report that are required to be audited and their report may be found on pages 115 to 124 of the Annual Report.

Resolutions 4-12:

Election and re-election of Directors

A biography of each Director, including a description of the skills and experience they contribute to the Board, appears on pages 66 to 67 of the Annual Report and is also available on the Company's website at www.dssmith.com. A biography of Geoff Drabble who, it was announced in June, will become a Director with effect from 1 September 2020, is set out on page 5.

Having been appointed directors since the AGM in 2019, Celia Baxter, Geoff Drabble and Alina Kessel are standing for election for the first time at this AGM.

In accordance with the recommendations of the UK Corporate Governance Code, every Director is required to retire from office at every AGM. Any Director eligible, in accordance with the Company's articles of association (the 'Articles'), may stand for re-election. The Company's Chairman confirms that, following the evaluation process, as described on pages 72 and 73 of the Annual Report, the performance of each Director standing for re-election and election continues to be effective and that they have each demonstrated a strong commitment to their role.

4. Gareth Davis, Chairman

Key strengths:

- Wealth of international experience
- Exceptional experience as a chairman

External appointments:

Gareth is Non-Executive Deputy Chairman at M&C Saatchi plc and a Non-Executive Director of Gresham House plc.

Gareth was appointed to the Board on 1 June 2010 as a non-Executive Director and became the Chairman of the Board on 4 January 2012. He has been Chairman of the Nomination Committee since January 2012. In May 2019 it was announced that Gareth's term as Chairman has been extended to 3 January 2021 and in June 2020 it was confirmed that he will retire from the Board on 3 January 2021.

Gareth stepped down from the Board of Ferguson plc (formerly Wolseley plc) in January 2020, having previously been their Chairman. He was Group Chief Executive of Imperial Tobacco Group PLC from its incorporation in 1996 until May 2010. From September 2010 until April 2018 he was Chairman of William Hill PLC.

Gareth's wealth of international experience combined with his extensive experience of chairing boards of listed companies means that his skills and experience contribute to the Board's practical understanding of good governance in action.

5. Miles Roberts, Group Chief Executive

Key strengths:

- Clear strategic mindset
- Strong leadership skills

External appointment:

Miles is a non-executive director of Aggreko plc.

Miles was appointed to the Board on 4 May 2010 as Group Chief Executive.

Following his engineering degree he became a chartered accountant and brings to the Board extensive financial and operational experience. He was previously Chief Executive of McBride plc, having originally joined as its Group Finance Director. He was Senior Independent Director of Poundland Group plc until September 2016.

Miles' strong leadership skills combined with his clear strategic mindset, rooted in the practicality of his engineering and accountancy training, means that his skills and experience contribute to the Board's clear strategic vision.

6. Adrian Marsh, Group Finance Director

Key strengths:

- Strong financial expertise within an international context
- Wealth of finance experience in large listed multinationals

External appointment:

Adrian is a non-executive director and audit committee chairman at John Wood Group PLC.

Adrian was appointed to the Board on 24 September 2013 as Group Finance Director. As the former head of Tax, Treasury and Corporate Finance at Tesco PLC, Adrian has helped DS Smith to significantly build the finance function and deliver strong financial results. As a qualified accountant, and coming from a FTSE background, he has held divisional CFO positions at both AstraZeneca plc and Pilkington plc.

Adrian's depth of experience in a range of financial roles in large listed multinationals means that his skills and experience contribute to the Board's understanding of all aspects of the financial implications of both the routine and project aspects of the Group's operations.

7. Celia Baxter, Non-Executive Director

Key strengths:

- Extensive HR experience
- Board experience in non-UK listed companies

External appointments:

Celia is the senior independent director and the remuneration committee chair at Senior plc and remuneration committee chair at RHI Magnesita.

Celia was appointed to the Board as a non-Executive Director and Chairman of the Remuneration Committee on 9 October 2019.

Her early executive career was with Ford Motor Company and KPMG. She has held HR positions with Hays plc, Enterprise Oil Plc, Tate & Lyle Plc and most recently was Director of Group HR at Bunzl plc for 13 years. As a non-executive director she was on the board of NV Bekaert SA. until May 2020.

Celia's background of working in a range of sectors means that, as well as her experience as a remuneration

committee chairman and her understanding of employee dynamics, she brings extensive and practical business knowledge to the Board.

8. Geoff Drabble, Chairman Designate

Key strengths:

- Wealth of industrial and international experience
- Extensive experience as a chairman

External appointments:

Geoff is Non-Executive Chairman of Ferguson plc and a Non-Executive Director of Howden Joinery Group Plc.

Geoff will be appointed to the Board with effect from 1 September 2020 as a non-Executive Director and Chairman Designate and member of the Remuneration and Nomination Committees.

Geoff served for 12 years as Chief Executive of Ashtead Group plc, the FTSE 100 industrial equipment rental company. He was previously an executive director of The Laird Group plc and held a number of senior management positions at Black & Decker.

Geoff's range of industrial experience combined with his experience of chairing boards of listed companies means that his skills and experience will contribute to the Board's continued effective operation.

9. Alina Kessel, Non-Executive Director

Key strengths:

- Broad and wide-ranging marketing experience
- International outlook

External appointment:

Alina is a Global Client Leader at WPP, a leading international marketing communications company.

Alina was appointed to the Board on 1 May 2020 as a non-Executive Director.

She has over 25 years of experience building global brands for large multinational clients, helping them grow their business through communications, experience, commerce and technology. Originally from the Ukraine and a US national, Alina has lived and worked in the UK, US, Australia and Germany, where she was CEO of Grey Advertising and, later, of DDB Tribal Group.

Alina's experience of living, as well as working, in a number of different countries, including the US, combined with her expertise in marketing and communications means that her skills and experience will contribute an additional perspective to the Board's discussions, particularly when considering the interests of our employees (based in over 30 countries) and our global customers.

10. David Robbie, Non-Executive Director

Key strengths:

- Strong financial and corporate finance experience
- International and strategic mindset

External appointment:

David is the senior independent director at FirstGroup PLC.

David was appointed to the Board as a non-Executive Director on 11 April 2019 and became Chairman of the Audit Committee at the conclusion of the 2019 AGM.

He was previously Finance Director of Rexam PLC, before its £4.3 billion acquisition by Ball Corporation in 2016. Prior to his role at Rexam, in the aluminium packaging business, David served in senior finance roles at BTR plc before becoming Group Finance Director at CMG plc in 2000 and then Chief Financial Officer at Royal P&O Nedlloyd N.V. in 2004. He served as a Non-Executive Director of the BBC between 2006 and 2010 and as Chairman of their Audit Committee. David qualified as a chartered accountant at KPMG.

David's strong financial and corporate finance experience combined with his international and strategic mindset means that his skills and experience add depth to the Board's discussions in these areas.

11. Louise Smalley, Non-Executive Director

Key strengths:

- Strong HR experience
- Extensive knowledge of people management, rewards and remuneration schemes

Explanation of Resolutions (continued)

External appointment:

Louise is Group Human Resources Director and an executive director of Whitbread PLC.

Louise was appointed to the Board on 23 June 2014 as a non-Executive Director.

She has held a number of key HR roles at Whitbread PLC. She previously worked as an HR professional in the oil industry, with BP and Esso Petroleum.

Louise's experience as a currently serving executive director combined with her extensive knowledge of people management and associated HR topics means that her skill and experience contribute to the Board's focus on the importance of enabling everyone who works for the Group to realise their potential.

12. Rupert Soames OBE, Senior Independent Director

Key strengths:

- Wealth of international operational experience
- Extensive understanding of UK plc environment as a serving CEO

External appointment:

Rupert is Group Chief Executive Officer at Serco Group plc.

Rupert was appointed to the Board on 1 March 2019 as a non-Executive Director and became Senior Independent Director at the conclusion of the 2019 AGM.

He was previously Chief Executive at Aggreko plc and Chief Executive of Misys plc Banking and Securities Division. Until July 2016 Rupert was also Senior Independent Director of Electrocomponents plc and a member of its Remuneration, Nomination and Audit Committees.

Rupert's hands on experience of the UK plc environment as a serving CEO combined with the wealth of his international operational experience means that his skills and experience contribute to the Board's international outlook, embedded in a clear-sighted view of operational realities in today's world.

Resolutions 13-14:

Re-appointment of Auditor and Auditor's remuneration

An independent auditor is required to be appointed at each general meeting at which accounts are presented to shareholders. Under Resolution 13 the Directors propose to reappoint Deloitte LLP as the Company's independent auditor. More information about the decision to appoint Deloitte LLP can be found in the Audit Committee report on pages 80 to 85 of the Annual Report.

Resolution 14 seeks shareholder authorisation for the Audit Committee to determine the Auditor's fee, which is standard practice.

Resolution 15 and 16:

Adoption of new Sharesave Plans

It is proposed in Resolution 15 that shareholders approve the rules of the DS Smith 2020 Sharesave Plan (the 'Sharesave Plan') so as to allow the Company to grant Sharesave options to employees and to satisfy these options with new issue and treasury shares, as well as existing shares purchased in the market.

The Sharesave Plan is an all-employee, tax-advantaged plan, which is intended to comply with UK legislation which allows the Company to grant UK tax-advantaged options to UK employees.

The use of sharesave plans to encourage wider employee share ownership is well established in the UK and the Company has previously offered a sharesave plan to its employees under a sharesave plan approved by shareholders at the 2011 AGM (the 'Existing Plan').

The Existing Plan is due to expire on 26 November 2020. It was approved by HM Revenue & Customs ('HMRC') in accordance with the then applicable regime. Now HMRC has introduced self-certification requirements. The new Sharesave Plan is intended to be a continuation of the Existing Plan and the rules of the new Sharesave Plan are based on the Existing Plan.

As with the Existing Plan, the Company is intending to adopt the International Sharesave Plan and a French Sub-Plan for employees who are employed and resident outside of the UK, based on the rules of the Sharesave Plan.

Resolution 16 seeks specific shareholder approval for the rules of the US Plan, which may be used for employees who are employed and resident in the US. One of the requirements under section 423 of the US Inland Revenue Code, a tax favourable regime, is shareholder approval of the US Plan.

A summary of the principal terms of the Sharesave Plan is set out below.

a. Operation

The operation of the Sharesave Plan is supervised by the Share Scheme Committee of the Board of Directors of the Company (the 'Committee').

b. Eligibility

Employees and full-time Directors of the Company and any designated participating subsidiary who are UK resident tax-payers are eligible to participate. The Committee may require employees to have completed a qualifying period of employment of up to five years before the grant of options. The Committee may also allow other employees who have not fulfilled any qualifying period to participate.

c. Grant of options

Options can only be granted to such eligible employees and full-time Directors who enter into certified savings contracts, under which monthly savings are normally made over a period of three or five years. Options must be granted within 30 days (or 42 days if applications are scaled back) of the first day by reference to which the option price is set. The number of shares over which an option is granted will be such that the total option price payable for those Shares will correspond to the proceeds on maturity of the related savings contract.

An option may not be granted before shareholders approve the Sharesave Plan nor more than 10 years after Committee approval of the Sharesave Plan, that is 22 June 2030. Options are not transferable, except on death. Options, along with any other interest accrued on the savings under the savings contract, are not pensionable.

d. Individual participation

Monthly savings by an employee under all savings contracts linked to options granted under any sharesave scheme may not exceed the statutory maximum (currently £500). The Committee may set a lower limit in relation to any particular grant.

e. Option price

The price per share payable upon the exercise of an option will not be less than the statutory maximum (currently 80 per cent of the average middle-market quotation of a share on the London Stock Exchange over the three days, or one day, preceding either the date of issue of invitations to participate in the Sharesave Plan or a date specified in an invitation (or such other day or days as may be agreed with HMRC)). If an option relates only to new issue shares, then the price per share payable on exercise must also not be less than the nominal value of a share.

The option price will be determined by reference to dealing days which fall within six weeks of the announcement by the Company of its results for any period, the announcement or introduction of a new Sharesave savings prospectus or at any other time when the Committee considers there to be exceptional circumstances which justify offering options under the Sharesave Plan.

f. Exercise of options

Options will normally be exercisable for a six month period from the third or fifth anniversary of the commencement of the related savings contract. Earlier exercise is permitted, however, in the following circumstances:

- following cessation of employment by reason of death, injury, disability, redundancy, retirement, or the business or company that the employee works for ceasing to be part of the Company's group
- where employment ceases more than three years from grant for any reason other than dismissal for misconduct; and
- in the event of a takeover, amalgamation, reconstruction or winding-up of the Company, except in the case of an internal corporate re-organisation where the participants are offered the opportunity to exchange existing options for equivalent new options over shares in a new holding company.

Except where stated above, options will lapse on cessation of employment or directorship with a participating company which shall include, unless the Committee determines otherwise, where the individual changes employer to another company within the Company's group that is outside of the UK. (This change is being made in response to the regulatory and payroll administrative complexities of jurisdictional transfers.)

Shares will be allotted or transferred to participants within 30 days of exercise unless the Company is prevented from issuing, transferring or procuring the transfer of shares to the participant by reason of any dealing restriction, but will do so within the period of 30 days after the relevant dealing restriction(s) have ceased to apply. Similarly, participants will be prevented from exercising their options where a dealing restriction is in place at the time of exercise and, instead, any attempt to exercise will be delayed until the dealing restriction ceases to apply.

There is no discretion under the Sharesave Plan to settle the options in cash for UK participants.

g. Overall Sharesave Plan limits

The Sharesave Plan may operate over new issue shares, treasury shares or shares purchased in the market. In any ten calendar year period, the Company may not issue (or grant rights to issue) more than 10 per cent of the issued ordinary share capital of the Company under the Sharesave Plan and any other employee share plan adopted by the Company.

Treasury shares will count as new issue shares for the purposes of these limits unless the institutional investors decide that they need not count.

h. Variation of capital

If there is a variation in the Company's share capital, then the Committee may, make such adjustment as it considers appropriate to the number of shares under option and the option price. Under the International Sharesave Plan the variation in the Company's share capital shall also include a demerger, special dividend or other similar event which affects the market price of shares to a material extent, an exempt distribution by virtue of section 1075 of the Corporation Tax Act 2010 or any other corporate event which might affect the current or future value of any option.

i. Rights attaching to shares

Any shares allotted when an option is exercised under the Sharesave Plan will rank equally with shares then in issue (except for rights arising by reference to a record date prior to their allotment).

j. Alterations to the Sharesave Plan

The Committee may amend the provisions of the Sharesave Plan in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of shares or the transfer of treasury shares, the basis for determining a participant's entitlement to, and the terms of, the shares to be acquired and the adjustment of options.

Explanation of Resolutions (continued)

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the Sharesave Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's group.

k. Overseas Sharesave Plans

The shareholder resolution to approve the Sharesave Plan will allow the Committee, without further shareholder approval, to establish further plans for overseas territories. Such plans will be similar to the Sharesave Plan, but modified to take account of local tax, exchange control or securities laws, provided that any shares made available under such further plans are treated as counting against the limits on individual and overall participation in the Sharesave Plan.

If the Sharesave Plan is approved by shareholders, the Committee proposes to adopt the International Sharesave Plan for employees outside of the UK (based on the rules of the Sharesave Plan, modified as set out above). It is intended that the International Sharesave Plan will be a continuation of the current international sharesave plan that is being operated in conjunction with the Existing Plan. It is intended that a French Sub-Plan will be introduced for employees employed and resident in France (as is currently the case in relation to the Existing Plan).

The US Plan is based on the rules of the existing US Plan, which in turn were based on the existing international sharesave plan, but amended in a manner which is intended to qualify the US Plan under section 423 of the US Internal Revenue Code, a tax favourable regime.

Without limitation, the US Plan may be used for employees employed and resident in the US. Any new or treasury shares issued under the US Plan will count towards the individual and overall plan limits of the Sharesave Plan outlined above. The US Plan will operate in a similar manner to the Sharesave Plan and the International Sharesave Plan, subject to the following main changes required to qualify under section 423 of the US Inland Revenue Code:

- the exercise price must not be less than 85% of the market value of a share on the grant date;
- in order to comply with the requirements under section 423 of the US Inland Revenue Code options may not be exercised more than 27 months from the date of grant and so it is envisaged that employees will be offered savings arrangements with shorter term saving arrangements, typically two years, with options becoming exercisable at the end of the savings arrangements for a three month period; and
- in addition to the individual limits outlined above, no participant under the US Plan may purchase more than \$25,000 of shares in any calendar year (based upon the fair market value of the shares on the grant date and purchase dates).

Resolution 17:

Approval of the French Schedule to the Performance Share Plan

It is proposed in Resolution 17 that shareholders approve the French Schedule to the rules of the DS Smith 2008 Performance Share Plan (as amended and approved by Shareholders in 2017) (the 'PSP') so as to allow employees employed and resident in France to benefit from a new tax-favourable regime that was introduced from 1 January 2018. The rules of the PSP are not impacted by this proposal. The main provisions of the French Schedule, which shareholders last approved in 2017, continue to apply, and obtaining a

renewal of shareholder approval of the French Schedule in 2020 will permit the benefits of the current regime to be accessed under the French Schedule, subject to any future modifications which are necessary to comply with French requirements.

Employees employed and resident in France currently benefit from a tax-favourable regime in effect since 31 December 2016. This favourable tax treatment was dependent on shareholder approval, which was obtained in September 2017. Awards granted to employees employed and resident in France since September 2017 have benefited from this tax-favourable treatment.

In December 2017, new legislation came into effect in France (the '2018 Finance Law'), which, along with other legislation adopted in August 2015 (Loi Macron), introduced changes to the terms under which French tax-qualified restricted stock units ('RSUs') - such as the conditional awards granted under the French Schedule - including performance-based RSUs, may be granted to employees employed and resident in France. One of the conditions for granting French tax-qualified RSUs under the 2018 Finance Law is that the French tax qualified RSUs are granted pursuant to shareholder approval on or after 1 January 2018. Shareholder approval of the French Schedule will satisfy this requirement and will allow employees employed and resident in France (and their employing companies) to benefit from the latest French-qualified social security and tax regime, provided certain conditions are met. The new tax regime will also lead to reduced employer social security contributions in France.

Resolution 18:**Authority to allot shares**

At the AGM last year, the Directors were given the authority to allot shares without the prior consent of shareholders for a period expiring at the conclusion of the 2020 AGM or, if earlier, on 1 November 2020. It is proposed to renew this authority and to authorise the Directors under section 551 of the Companies Act 2006 to allot ordinary shares or grant rights to subscribe for or convert any security into shares in the Company for a period expiring at the conclusion of the 2021 AGM or, if earlier, on 1 November 2021.

This resolution, which follows the guidelines issued by the Investment Association, will allow the Directors to:

- a. allot ordinary shares up to a maximum nominal amount of £45,753,175 representing approximately one third (33.33 per cent) of the Company's existing issued share capital and calculated as at 3 July 2020; and
- b. allot ordinary shares on a pre-emptive basis by way of a rights issue to ordinary shareholders up to a maximum nominal amount (including any shares allotted under the paragraph above) of £91,520,078 representing approximately two thirds (66.67 per cent) of the Company's existing issued share capital and calculated as at 3 July 2020.

The Directors have no present intention of allotting shares under this resolution, but believe that the flexibility allowed by this resolution may assist them in taking advantage of business opportunities as they arise.

If they do exercise this authority, the Directors intend to follow best practice as recommended by the Investment Association. As at 3 July 2020 the Company does not have any shares in treasury.

Special Resolutions

For each of the following resolutions to be passed, at least 75 per cent of the votes cast must be in favour of the resolution.

Resolution 19:**Directors' general powers to disapply pre-emption rights**

At last year's meeting, a special resolution was passed, under sections 570 and 573 of the Companies Act 2006, empowering the Directors to allot equity securities for cash without a prior offer to existing shareholders. It is proposed that this authority also be renewed. If approved, the resolution will authorise the Board to allot equity securities (as defined in the Companies Act 2006) for cash and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply. The authority is limited to:

- a. allotments for rights issues and other pre-emptive issues; and
- b. allotments of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £6,863,662, which represents approximately 5 per cent of the issued share capital of the Company as at 3 July 2020.

The Directors do not intend to issue more than 7.5 per cent of the issued share capital of the Company for cash on a non pre-emptive basis in any rolling three-year period (other than in connection with an acquisition or specified capital investment, as described in the Pre-emption Group's Statement of Principles) without prior consultation with shareholders and the Investment Committees of the Investment Association and the Pensions and Lifetime Savings Association.

Resolution 19 will be proposed as a special resolution to renew this authority until the conclusion of the next AGM or, if earlier, the close of business on 1 November 2021. Prior to its expiry, the Company may make offers, and enter into agreements, which would or might require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

Resolution 20**Directors' powers to disapply an additional five per cent pre-emption rights**

In line with the advice published by the Pre-Emption Group and in addition to any authority granted under Resolution 19, this resolution, to be proposed as a special resolution, will, if passed, authorise the Directors to allot equity securities and/or sell ordinary shares held by the Company as treasury shares for cash, as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale. This authority will be:

- a. limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £6,863,662 which represents approximately five per cent of the issued share capital of the Company as at 3 July 2020; and
- b. used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights published by the Pre-Emption Group and which is announced at the same time as the allotment, or has taken place in the preceding six month period and is disclosed in the announcement of the allotment.

Resolution 20 seeks to renew this authority until the conclusion of the next AGM or, if earlier, the close of business on 1 November 2021. Prior to its expiry the Company may make offers, and enter into agreements, which would or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

The maximum nominal value of equity securities which could be allotted if the authorities granted in resolutions 19 and 20 were both used would be £13,727,325, which represents approximately 10 per cent of the issued share capital of the Company as at 3 July 2020.

Explanation of Resolutions (continued)

Resolution 21:

Company's authority to purchase shares

This resolution, which will be proposed as a special resolution, seeks to renew the existing authority for the Company to purchase its own shares in the market.

This authority gives the Company greater flexibility in managing its capital resources. The Directors have no specific intention of using this authority and would do so only when, in the light of market conditions, they believed that the effect of such purchases would be to increase earnings per share, and that the purchases were in the general interest of shareholders.

The Directors would also give careful consideration to the Company's gearing level and its general financial position. The purchase price would be paid out of distributable profits.

Following the requirements of the Companies Act 2006 and the Listing Rules of the Financial Conduct Authority, the Resolution specifies:

- a. the maximum number of shares which may be purchased (representing approximately 10 per cent of the Company's issued share capital at 3 July 2020, being the latest practicable date prior to publication of this document);
- b. the minimum and maximum prices at which they may be purchased; and
- c. when such authority will expire.

The minimum price at which the shares may be purchased is their nominal value and the maximum price is the higher of:

- i. five per cent above the average of the middle market values of those shares for the five business days before the purchase is made; and
- ii. an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out.

The Companies Act 2006 enables certain listed companies to hold shares in treasury, as an alternative to cancelling them, following a purchase of own shares by the Company. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy share options and share awards under the Company's share schemes. The treasury shares do not entitle the Company to exercise any rights, including attendance and voting at meetings, receipt of dividends or distribution of the Company's assets. Accordingly, if the Directors exercise the authority conferred by this resolution, the Company will have the option to hold shares in treasury rather than cancelling them. The authority will expire at close of business on 1 November 2021 or at the conclusion of the next AGM (whichever is the earlier). The Directors currently intend to seek a similar authority annually.

The total number of ordinary shares that are under option through the Company's share option schemes as at 3 July 2020 is 18,362,797, of which 16,777,746 are options over unissued ordinary shares. The proportion of issued ordinary share capital that the options over unissued ordinary shares represented on this date was 1.22 per cent and the proportion of issued ordinary share capital that they will represent if the full authority to purchase shares (existing and being sought) is used is 1.36 per cent.

Resolution 22:

Notice of general meetings

The notice period for general meetings, as governed by the Companies Act 2006, is 21 days. The notice can be less if the shareholders approve a shorter notice period, however it cannot be shorter than 14 clear days. AGMs cannot be held at shorter notice and must always be held on at least 21 clear days' notice.

At last year's AGM, shareholders authorised the calling of general meetings other than an AGM on not less than 14 clear days' notice and it is proposed that this authority be renewed. The authority granted by this resolution, which will be proposed as a special resolution, if passed, will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

Note, that if a general meeting is called on less than 21 clear days' notice, the Company will arrange for electronic voting facilities to be available to all shareholders. The flexibility offered by this resolution will be used where, taking into account the circumstances, and noting the recommendations of the UK Corporate Governance Code, the Directors consider this appropriate in relation to the business of the meeting and in the interests of the Company and shareholders as a whole.

Notes

These notes should be read in the light of the arrangements for this year's AGM described in the Chairman's letter, which include that anyone seeking to attend in person, other than those designated to form the quorum, will be refused entry.

- i. Only those Members registered in the Register of Members of the Company as at 6.30pm on 6 September 2020 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time.
- ii. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and speak and vote on their behalf at the meeting. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy need not be a member of the Company but, given the format of the meeting, members are strongly encouraged to appoint the Chairman of the meeting as their proxy, rather than a named person who will not be able to attend the meeting.
- iii. A proxy may be appointed by any of the following methods:
 - a. completing and returning the enclosed proxy form; or
 - b. by logging onto the Registrars' website www.sharevote.co.uk using the Voting ID, Task ID and Shareholder Reference Number printed on the proxy form enclosed. Members who have already registered with the Registrars' online portfolio service Shareview can submit a proxy by logging into their profile at www.shareview.co.uk and clicking on the link to vote; or
 - c. members of CREST should use the CREST electronic appointment service (see note (vii) below).

If two or more valid but differing appointments of a proxy are received in respect of the same share for use at the same meeting, the one which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the others. If the Company is unable to determine which was received last, none of

them shall be treated as valid in respect of that share. To be effective, forms of proxy and powers of attorney or other authority, if any, under which they are signed or a notarially certified or office copy of such power or authority must reach the Registrars at the address shown on the proxy form, and the Registrars must receive any appointment of a proxy not later than 9am on 6 September 2020. A member must inform the Registrars in writing of any termination of the authority of a proxy.

- iv. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the 'CA 2006') to enjoy information rights (a 'Nominated Person') may, under an agreement between them and the member by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
- v. The statement of the rights of members in relation to the appointment of proxies in Notes (ii) and (iii) above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by the Company members.
- vi. Nominated Persons are reminded that they should contact the registered holder of their shares (and not the Company) on matters relating to their investments in the Company.
- vii. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting to be held on 8 September 2020 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their

CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction under the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time for receipt of proxy appointments specified in note (iii) above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable,

Notes (continued)

their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. The CREST Manual can be reviewed at www.euroclear.com.

- viii. As at 3 July 2020 (being the latest practicable date prior to publication of this document), the Company's issued share capital consists of 1,372,732, 539 ordinary shares, carrying one vote each. No shares are held in treasury. Therefore, the total voting rights in the Company as at 3 July 2020 are 1,372,732, 539.
- ix. A corporate member of the Company may authorise a person or persons to act as its representative(s) at the meeting. In accordance with the provisions of the CA 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares.
- x. Under section 527 of the CA 2006, Members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:
 - a. the audit of the Company's financial statements (including the auditor's report and the conduct of the audit) that are to be laid before the meeting; or
 - b. any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which the Annual Report and financial statements were laid in accordance with section 437 of the CA 2006. The Company may

not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the CA 2006. Where the Company is required to place a statement on a website under section 527 of the CA 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the CA 2006 to publish on a website.

- xi. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
- xii. A copy of this Notice, and other information required by section 311A of the CA 2006, can be found in the Annual Report section of the Investors page on our website www.dssmith.com.
- xiii. Copies of the following documents will be available for inspection at the Company's registered office during normal business hours from the date of this Notice until the conclusion of the meeting:
 - a. service contracts of the Executive Directors
 - b. letters of appointment of the Chairman and the non-Executive Directors.
 - c. DS Smith 2020 Sharesave Plan rules

- d. DS Smith Stock Purchase Plan rules
- e. French Schedule to DS Smith 2008 Performance Share Plan rules.
- xiv. Chairmen of the Audit, Remuneration and Nomination Committees will be available to answer relevant questions via email as set out on page 1.
- xv. You may not use any electronic address provided either in this Notice or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.
- xvi. Under section 338 and section 338A of the CA 2006, Members meeting the threshold requirements in those sections have the right to require the Company (i) to give, to Members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise), (b) it is defamatory of any person, or (c) it is frivolous or vexatious. Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authenticated by the person or persons making it, must be received by the Company not later than 27 July 2020, being the date six clear weeks before the AGM, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

Voting

You can:

- register your proxy vote electronically by logging on to our Registrar's website, www.sharevote.co.uk, or by using the service offered by Euroclear UK & Ireland Limited for members of CREST (as explained in notes (iii) and (vii) on page 11); or
- complete and return your proxy form (as explained in note (iii) on page 11).

The proxy form invites you to vote in one of three ways for each of the resolutions: 'for', 'against' or 'vote withheld'. The 'vote withheld' option enables you to abstain on any particular resolution, but it is not a vote in law, therefore it will not be counted in the calculation of the proportion of votes for and against a resolution. Please note that all proxy appointments must be received by our Registrars no later than 48 hours before the start of the AGM.

At the AGM itself, the votes will be taken by poll rather than on a show of hands. This method is considered more democratic, because votes are allocated according to each shareholder's stake in a company, i.e. one vote for every share held.

All votes, whether cast in advance by proxy, or at the poll taken at the AGM itself, will be added together and the voting results will be published on the Company's website at <http://www.dssmith.com/investors/investor-information/rns-statements> and released to the London Stock Exchange.

Website

Our corporate website, www.dssmith.com, is the principal means we use to communicate with our shareholders. There is a wealth of information online including:

- our 2020 Annual Report;
- all the latest DS Smith news, press releases and investor presentations; and
- detailed information about our business.

Questions

Members who would like to ask a question related to the business of the meeting are encouraged to do so in advance of the meeting by emailing it to ir@dssmith.com with 'AGM 2020' in the heading. We will then collate the answers to the questions received and upload that to our website at <https://www.dssmith.com/investors> following the AGM or, if more appropriate, reply to the questioner directly.

DS Smith Plc

350 Euston Road
London
NW1 3AX

Registered in England
No 1377658

Telephone:
+44 (0)20 7756 1800
Fax: +44 (0)20 7756 1801
Email: ir@dssmith.com
www.dssmith.com

